

Christopher Canter

From: Karen Lewis [lewisk@gallatinriver.com]
Sent: Tuesday, June 20, 2006 1:56 PM
To: 'Michael Shuler'; Karen Lewis
Cc: jsm@thlglaw.com; eric@omnilec.com; David Rudd--GR; Stephen Murray; Fred Miri
Subject: RE: Billing Claims For SB00002012392 4/25/2006

Follow Up Flag: Follow up
Flag Status: Red

Mike,

We have investigated your billing dispute for those three circuits and have determined that the dispute is Denied, because; The e-mail from Bev Martin specifying the applicable rate elements is consistent with the "Promotional Pricing" discussed between Fred and you. However, as was explained at the time of the Promotional Pricing arrangement, this arrangement cannot be billed because it is not yet in GRC's billing system. Once the new ICA is executed and implemented, then the promotional pricing will be activated in the GRC billing system, made effective and GRC will make a retroactive adjustment to these 3 circuits utilizing the rate elements and Pricing that Bev sent to you. The retroactive adjustment only applies to these three circuits. Also, it is my understanding that Fred offered the Promotional Pricing arrangement as an incentive to quicken the pace of the replacement ICA negotiations and that these prices would not be in effect until the new ICA was approved by the ICC.

We apologize if there is any confusion with the billing aspect of this arrangement. However, we have no mechanism for billing these rates until the new ICA is implemented in the near future, in which case the retroactive adjustment will occur sooner...

Sincerely,
Karen Lewis

-----Original Message-----

From: Michael Shuler [mailto:mike@omnilec.com]
Sent: Monday, June 19, 2006 4:14 PM
To: 'Karen Lewis'
Cc: jsm@thlglaw.com; eric@omnilec.com
Subject: Billing Claims For SB00002012392 4/25/2006

Circuit: 06.BTWCO.6068..GRCL

Amount Billed: \$605.00

Amount Claimed: \$205.00

Description: Has DS1 charges on it. The charges belong on page 30 of 32 under circuit 06.DHZZ.103702..GRCL. The charges also do not match the agreed upon price for a DS1 per the attached e-mail (\$400 NRC).

Circuit: 06.DHZZ.103702..GRCL

Amount Billed: \$707.90 (March 30 - May 24)

Amount Claimed: \$280.62 (707.90 - 56 days @ 7.63/Day)

Description: The charges do not match the agreed upon price for a DS1 per the attached e-mail (\$228.86/month).

Circuit: 06.DHVS.103701..GRCL

Amount Billed: \$667.33 (April 3 - May 24) + 1,710.00 (3 DS1's NRC)

Amount Claimed: \$278.20 (667.33 - 51 days @ 7.63/Day) + \$510.00

Description: The charges do not match the agreed upon price for a DS1 per the attached e-mail (\$228.86/month + \$400 NRC).

Circuit: 06.DHVS.103700..GRCL

Amount Billed: \$667.33 (April 3 - May 24)

Amount Claimed: \$278.20 (667.33 - 51 days @ 7.63/Day)

Description: The charges do not match the agreed upon price for a DS1 per the attached e-mail (\$228.86/month).

Circuit: 06.DHVS.103705..GRCL

Amount Billed: \$697.43 (April 6 - May 24) + 605.00 (NRC)

Amount Claimed: \$308.72 (697.43 - 48 days @ 7.63/Day) + \$205.00

Description: The charges do not match the agreed upon price for a DS1 per the attached e-mail (\$228.86/month + \$400 NRC).

Circuit: 06.DHVS.103699..GRCL

Amount Billed: \$667.33 (April 3 - May 24)

Amount Claimed: \$278.20 (667.33 - 51 days @ 7.63/Day)

Description: The charges do not match the agreed upon price for a DS1 per the attached e-mail (\$228.86/month).

Total Bill: \$10,545.14

Total Claims: \$2,343.94

Undisputed Bill Amount: \$8,201.20

I need a reply in writing that Gallatin is refusing to honor the ICA and expects BitWise to pay the full balance, including the disputed amounts. I will be sending a check for \$8,201.20 upon acceptance of my billing claims and confirmation that the billing dispute process, outlined in the ICA (section 21.2), will be followed. I have attached the ICA for your convenience. Please respond as soon as possible, as we would like to resolve our balance with Gallatin immediately.

Michael Shuler, C.E.O.
OmniLEC And BitWise Communications, Inc.
682 High Point Lane
East Peoria, IL 61611
OmniNumber: (309) 670-0575